



*"Defending our Nation against its enemies is the first and fundamental commitment of the Federal Government. Today, that task has changed dramatically. Enemies in the past needed great armies and great industrial capabilities to endanger America. Now, shadowy networks of individuals can bring great chaos and suffering to our shores for less than it costs to purchase a single tank. Terrorists are organized to penetrate open societies and to turn the power of modern technologies against us."*

President George W. Bush, 2002 National Security Strategy

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## Terrorism

### Terrorist Cell Broken Up in Syria

On June 10, Syrian law enforcement dismantled a terrorist cell that was part of a radical group called Jund al-Sham Organization for Jihad and Tawhid. The leader of the cell, Abu-Umar, and his assistant, Abu-Ahmad, were killed during a raid of a house on the outskirts of Damascus. According to the Syrian News Agency, the cell was "part of a large extremist and terrorist takfiri group that believes in killing and sabotage as a means to achieve its goals." Reportedly, members of the organization reject other religions and deem all political regimes as infidel.

Syrian law enforcement announced that the terrorist cell plotted an attack against the Justice Ministry building. According to Islamic deputy Muhammad Habash, "this could be part of their takfiri culture because they do not believe in mundane laws." Abu-Umar planned to strap explosives around a one-year-old baby's body before putting her in the Palace of Ministry, according to the girl's grandmother. The grandmother recounted that her son, the baby's father,

was killed while placing a roadside bomb along the Damascus-Zabadani road in January. No official confirmation of the story was released, but Syria's newspapers, which provided details of the raid and the thwarted terror attack, are government-controlled.

The name of the group Jund al-Sham Organization for Jihad and Tawhid surfaced for the first time following this incident. According to the London-based Arabic newspaper *Al-Hayat*, the group had an "ideological, political, and military project against the political systems and positive laws in the three countries of Bilad al-Sham—Syria, Jordan and Lebanon—and against Iraq, which is occupied by the Crusaders." Death threats to Islamic deputy Muhammad Habash and accusations of agnosticism over the past few months may be evidence of pockets of emerging intolerance and fanaticism in this authoritarian country. *(Combined dispatches)*

### Suspected Terror Cells in Kenya

Kenya's government spokesperson Alfred Mutua confirmed that Kenya receives assistance from the United States and the UK in its fight against terrorism. Intelligence officers from these countries are searching for signs of activity by the Somali-based al-Ittihad al-Islamiya and al-Takfir Wal-Hijra because of recent intelligence indicating the existence of their operatives in Kenya. Mr. Mutua said "a lot of [so-called cells and groupings] are just suspicions and hearsay, and this is one of the cases we are looking into to find out if there is any authenticity to it."

However, Washington claims that al-Ittihad al-

Islamiya, with an estimated 2,000 members, is present in Kenya and Ethiopia. Both al-Ittihad al-Islamiya and al-Takfir Wal-Hijra are suspected of having links with al Qaeda, which was responsible for two terrorist attacks in Kenya—the August 1998 U.S. embassy bombing and the November 2002 hotel attack.

On June 28, the Kenyan courts acquitted three people suspected of involvement in these bombings, as well as in an alleged 2003 plot against the restored U.S. embassy. The case raised doubts about the readiness of Kenyan prosecutors to deal with such cases. *(Combined dispatches)*

### **European Terror Network and Recruitment on the Rise**

On June 17, Spanish authorities dismantled a network in Spain's four regions that recruited jihadi fighters to go to Iraq. Sixteen people were arrested, 11 of whom were suspected of having links with Abu Musab al-Zarqawi's terrorist network, tied to al Qaeda. It was determined that three Moroccans, an Algerian, and a Russian were recruited to join the jihad in Iraq. According to the police, three of the suspects had a meeting in Damascus, Syria, in March 2004, but returned to their countries after determining the difficulty of getting into Iraq. The exception is the Russian suspect, who was able to enter the country and was arrested in Karbala.

This is one in a series of arrests of suspected terrorists carried out in Spain, Germany, France, and the Netherlands, which attests to the presence of a European terrorist network that recruits suicide bombers and fighters for the war in Iraq. With the help of cells in Syria, recruiters have been supplying forged documents, training, and funding to fighters through the Internet over the past two years.

Recent patterns of terrorist activity in Iraq, based on the characteristics of suicide bombers killed, show a growing number of suicide bombers coming from Europe, compared to those from North Africa, Asia, and the Middle East. There are about 21 reported terrorist networks in Europe, some of which are tied to more than 60 groups in North Africa that provide training and recruitment for volunteers. Magnus

Norell of the Swedish defense research agency says that there is a rise "in both the number of recruits and the number of people returning home to develop networks and patiently plan for attacks."

European counterterrorism officials stress that there is "a new, more dangerous generation of Islamic extremists, younger and more radical than their forebears." Speaking at a conference in Florence, Italy, Balthazar Garzon, the Spanish investigating magistrate, said that the new generation of terrorists, some as young as 16, are by and large not connected directly with al Qaeda or other established terror groups. Al Qaeda generally serves as an ideological inspiration to them. They usually form loose groups based on "the system of personal relationships among the members." Because such networks are young with no terrorist history and have loose ties, intelligence and law enforcement may not know of their existence.

Indeed, tracking terrorist networks and their movement in Europe has become increasingly difficult, although cooperation among intelligence and police forces of many countries has improved. M. J. Gohel, chief executive of the Asia-Pacific Foundation, which monitors terrorist organizations, says "the terrorists are operating internationally, even if the law enforcement agencies are a long way behind them. We are seeing another al Qaeda-type organization in the making."

The profile of the typical European jihadi recruited to Iraq indicates a well-educated man in his mid-twenties from a middle-class and stable family with no strict religious education. He is usually a young, alienated male immigrant from North Africa or the Middle East who becomes a "newborn Muslim" and searches for radical Islamists. According to Jane's, many recruits are driven to jihad "during personal crises and transnational phases of their lives, such as at the death of parents, divorce, depression, and so on. Many of the recruits were gifted and did not experience serious socio-economic problems." The motivations of the jihadis were multifaceted and were caused by "ideological, religious-political as well as social grievances, related to the European context, the terrorists' countries of origin, and geopolitics." *(Combined dispatches)*

## Money Laundering

### New EU Anti-Laundering Directive Adopted

The European Union adopted a third Money Laundering Directive, which now includes cracking down on terrorist funding. The directive rules that cash payments exceeding 15,000 euros will require verification of customer identities and notification to law enforcement about suspected money laundering. Financial institutions, notaries, accountants, lawyers, casinos, real estate agents, company service providers and goods providers using cash payments of more than 15,000 must also abide by the directive's rules. Money laundering suspicions must be reported to national financial intelligence institutions, where employees are required to have adequate training in anti-money-laundering practices. Intermediaries in business transactions must also abide by the directive's rules because these individuals can often launder money by assisting clients with selling products.

According to the members of the European Parliament, the directive characterizes terrorist funding as a separate crime from money laundering because terrorism is often driven by legal earnings, whereas money laundering is always driven by profits gained from crime.

Commenting on the newly adopted anti-money-laundering efforts, Guy Soussan, a partner with law firm LeBoeuf, Lamb, Green and MacRae, noted: "The Directive has been adopted in record time by the EU, reflecting the fact that there was consensus between the member states to agree on standards already approved at the international level by the Financial Action Task Force." (*Combined dispatches*)

## Drug Trafficking

### Hizballah-linked Network Dismantled in Ecuador

Ecuadorian authorities arrested an international drug smuggling ring suspected of raising funds for Hizballah, the Shiite Muslim group branded as a terrorist organization by the United States, as part of

"Operation Desierto." The detainees were also suspected of possible involvement in a terrorist attack in Argentina a few years ago. Among those arrested were citizens of Nigeria, Algeria, Lebanon, Turkey, and Ecuador.

The group has established itself in several South American countries and reportedly sent 200 kilograms of narcotics to the United States, Europe, Israel and Saudi Arabia every month. Some of the profits were invested in Colombia, while the rest of the funds were sent to support terror groups in the Middle East, including Hizballah. U.S. defense officials claim that Hamas and Hizballah maintain major fundraising activities in some parts of South America with large Islamic populations, including Ecuador.

At about the same time, there were raids in Syria, which resulted in a seizure of 30 kilos of cocaine, as well as in the United States, Argentina, and Brazil, all linked to the arrests in Ecuador. The operation against the drug network included investigations in Argentina, Brazil, Chile, Colombia, Ecuador, and Peru. The drug smugglers moved through these countries to other continents. (*Combined dispatches*)

### Major International Drug Smuggling Ring Found in Kazakhstan

A joint operation by Kazakh national security forces, Russian secret services and Tajik police successfully ended in an arrest of an international drug syndicate in Almaty, Kazakhstan. The group trafficked large consignments of opium and heroin from Afghanistan and Tajikistan to Kazakhstan and Russia. A total of 217 kilograms of raw opium, 583 ecstasy pills, 67 kilograms of heroin, three firearms with ammunition, and financial records verifying "drug money" laundering were found during a raid of the syndicate leader's residence.

According to United Nations experts, about 30 percent of drugs generated in Afghanistan are transited through Central Asian countries. Some portion of the drugs "stay in the transit countries, helping increase the number of drug addicts and HIV-infected people in the region." James Callahan, a representative of the UN Office on Drugs and Crime, who spoke at a forum on

drugs and HIV/AIDS in Almaty, stressed that Russia has also become “one of the largest markets for drug consumption.” (*Combined dispatches*)

### **Colombian Laundering Syndicate Broken Up**

The U.S. Drug Enforcement Administration (DEA) stated that the U.S.-led 27-month investigation entitled “Operation Mallorca” ended in the arrest of 36 people in the United States, Colombia, and Puerto Rico. The suspects were involved in Colombian-based drug trafficking and money laundering. During the raid, authorities seized \$7.2 million, 947 kilograms of cocaine, 7 kilograms of heroin, and 21,650 pounds of marijuana. Among those arrested were three Colombian money brokers who earned \$200 million annually in illegal profits from smuggling 2,000 to 3,000 kilograms of cocaine a month.

DEA administrator Karen P. Tandy said: “DEA is targeting the financial networks of drug cartels like never before to bankrupt traffickers and money launderers. In Operation Mallorca, we followed the money around the globe and into the hands of major Colombian drug traffickers.” According to Tandy, DEA lowered the profits of Columbia-based drug smuggling by \$500 million over the past year, which indicates a 40 percent rise in seizures.

The ongoing investigation traced 300 illegal financial transfers to 200 bank accounts, including 170 separate accounts in 16 U.S. cities and 13 other countries. (*Combined dispatches*)

## **Organized Crime**

### **New Polish Mafia**

Minister of Internal Affairs Ryszard Kalisz of Poland announced that the country’s Police Main Investigation Office (CBS), modeled on the FBI, has been disbanded as a result of service regulation violations by a CBS general, who was charged with criminal offences. This was one of the latest scandals facing the CBS, which was earlier shaken by another uproar as a gangster, Jacek R., also known as Sankul, testified that CBS officers sold secret information

about an investigation of the Pruszkow gang and were “on Mafia’s payroll.” Pruszkow, known for its notorious gang, is located near Warsaw. Sankul, who was one of the leaders of the Pruszkow gang, was arrested in 2003. Following Sankul’s arrest, police found his notes that showed specific amounts of money reaching to tens of thousands of dollars that were reportedly paid to CBS officers. In addition, police were shocked to find documents containing witness testimonies about the Pruszkow gang during a raid of one of Sankul’s acquaintances.

Organized crime maintains support and wields big influence in the Internal Affairs Ministry and the police. Last year, a former police general, Mieczyslaw Kluk, was arrested following charges of colluding with the mafia and selling classified police information to gangs. Massive police corruption in Poland, known about for many years, was recently exposed in the cities of Poznan, Lodz, and Wroclaw. Because of endemic corruption and the absence of control regulations, police officers in these cities have been committing large-scale crime with impunity. Corruption and the reduced effectiveness of the police may be having an effect on the growing rate of wanted gangsters. Without due attention and serious law enforcement reforms, Poland’s problems with organized crime and police corruption are bound to increase criminality in the European Union. (*Combined dispatches*)

### **Taiwan’s Growing Gangs**

On May 29, 10,000 gangsters from dozens of Asian crime groups came to Taipei to pay their respects to Taiwan’s famous gangster Hsu Hai-ching, also known as “Wen Ge” or “Mosquito Brother.” Some of Taiwan’s largest gangs, such as the Bamboo Union, the Four Seas, and the Celestial Way, as well as Japan’s most powerful *yakuza* group, Yamaguchi-gumi, and several triads from Hong Kong and Macau were represented at the funeral. Hundreds of police were present to maintain peace and collect intelligence on gangsters and their affiliations.

The Bamboo Union has over 10,000 members around the world, the Four Seas has about 2,000 members, and

the Celestial Way includes some 500 to 700 members. There are other gangs whose membership is difficult to gauge because of relatively loose structures.

Taiwanese gangs reap an estimated U.S. \$1.85 billion in profits annually from every kind of illegal activity—prostitution, gun-running, extortion, gambling, and drug and human trafficking worldwide. Cooperation with other gangs brings huge profits. Therefore, when there are opportunities to make money, rivalries between gangs are easily forgotten. A yakuza member candidly said: “We recognize that we often have more to gain through cooperation than through feuding.” According to an expert on organized crime, Lin Chung-cheng, activities of Taiwanese gangs “are as internationalized as any multinational corporation.” For example, affiliate gangs of the Bamboo Union are present in Britain, Canada, the United States, France, Australia, and almost all Asian countries.

Taiwan is an attractive spot for organized criminals because it is a key transshipment site for narcotics, arms, and human smuggling. Criminals feel more confident using Taiwan because of their close network with Taiwanese gangs. A member of Yamaguchi-gumi, when asked why this organization was showing its presence in Taipei so vividly, said: “We wanted to show our appreciation for Brother Hsu [Hai-ching]. Besides, people should know that we are always here. We have lots of friends in Taiwan.”

Following Hai-ching’s funeral, Taiwanese authorities declared five Japanese yakuza leaders persona non grata and banned them from visiting Taiwan. This was an attempt to thwart collusion between gangs in carrying out cross-border crimes. This measure is part of the new anti-gang efforts of Taiwan’s National Police Administration. (*Asia Times*)

### **Russian Mafia Expands Its Influence in Europe**

European integration and enlargement to the east have created opportunities for Russian organized gangs that seek entry to more affluent western Europe through the accession states. In a report in *Jane’s Intelligence Review*, Dr. Mark Galeoti notes that Russian

organized crime has gained considerable influence in many eastern European countries, including the Czech Republic, Hungary, Poland, and the Baltic and Balkan states. Russian gangs use many of these and other countries as conduits for smuggling drugs, people, and other commodities with the help of local criminal groups.

Accession of the Czech Republic and Hungary to the European Union made them more attractive to the Russian gangs, increasing the possibility of their presence in these countries. While Poland is challenged by its own criminal gangs, those from Russia, Ukraine, Belarus, and Lithuania constitute a major threat after their Polish counterparts.

According to Europol, many Russian gangs wield substantial influence in the Baltic states. Local criminal groups in Lithuania cooperate with Russians to traffic people and drugs. That partnership does not compare, however, with that of Estonians and Russians. It can be difficult to ascertain a gang’s native country because of tight collaboration. Estonian-Russian crime groups are seen as an increasing threat to Scandinavian countries, particularly Finland. Latvian gangs are second to those of Estonia in terms of colluding with the Russians. Latvia is often used as a base for Russians to execute Internet-based crimes. Both Latvia and Estonia are seen as key smuggling hubs.

Russian gangs are also present in south-central Europe and the Balkans, where corruption and poor economic conditions facilitate their influence on political figures and businesses. Although some countries such as Romania and Bulgaria put a priority on fighting corruption and organized crime, it is more difficult to arrest key players of the criminal underworld.

The tentacles of Russian criminal networks reach western European countries as well. The Russian mafia continues to carry out identity fraud and money laundering in England. Recently, Spanish authorities apprehended 28 suspected mafia leaders from Russia after 40 raids in towns across the Spanish Mediterranean coast. The suspects are believed to be engaged in “a nationwide criminal network of luxury cars and real estate in the form of bars, restaurants, and hotels used for money laundering.” The arrest is seen

as the biggest-ever clampdown on organized crime in Europe. (*Combined dispatches*)

## Antiterror Measures

### FBI Improving Information Sharing?

According to Justice Department inspector general Glenn A. Fine, law enforcement officials in Washington believe that the FBI has stepped up information exchange since the September 11 attacks. Police in New York, though, have argued that the bureau maintains a certain level of secrecy in sharing information. At the same time, according to at least one FBI official in New York, NYPD officials sometimes decline to share intelligence with the bureau, which may allow “links to terrorism going undetected.”

In his report, which looks into various terrorism task forces set up in the wake of 9/11, Mr. Fine states that the exchange of information between federal authorities and local law enforcement has improved since 2001: “We found that the department’s terrorism task forces and advisory councils generally function as intended, without significant duplication of effort.” Richard Thornburgh, a former attorney general and a member of a panel of experts brought together by the official September 11 commission, backs this claim, saying that “sharing counterterrorism information by the FBI clearly has improved at all levels with the increase in joint activities playing a crucial role.”

Still, information sharing appears to be largely ad hoc without a clear system of implementing and endorsing such sharing. Mr. Thornburg also stressed the need for consolidating terrorist watch lists, which continue to be kept separately by various agencies. Chitra Ragavan, a security writer for *U.S. News and World Report* magazine and another member of the panel, noted that the FBI has 200 open counterterrorism positions due to the unwillingness of many agents to move to the Washington headquarters where much of the antiterrorist work is done. Members of the panel

stated that the FBI has not established “productive relations with other agencies.” (*Combined dispatches*)

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**This update is produced by the Transnational Threats Project at the Center for Strategic and International Studies (CSIS) and provides monthly news on terrorism, drug trafficking, organized crime, money laundering, and other transnational threats. The *TNT Update* draws on several U.S. and international media sources, including Associated Press, Agence France Presse, Reuters, Xinhua News Agency, ITAR-TASS, World Tribune, Afghan News, and others.**

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